

**A Resolution of the Common Council of the City of Evansville Confirming
the Declaration of an Economic Revitalization Area for Property Tax Phase-In
for the Construction of Real Property**

**Pollux Systems, Inc. and Tri-State Orthopaedic Surgeons, Inc.
(7801 E. Division Street, Evansville, IN 47715)**

WHEREAS, Pollux Systems, Inc. and Tri-State Orthopaedic Surgeons, Inc. (the "Applicant") has made application for Economic Revitalization Area designation, pursuant to IC 6-1.1-12.1 et seq and Evansville Common Council Resolution C-2002-3 As Amended (the "Tax Phase-In Resolution"), for the property located at: See Section 1; and

WHEREAS, heretofore under provisions of Resolution C-2002-3 As Amended, the Common Council of the City of Evansville found the above-described property to meet the requirements of an Economic Revitalization Area pursuant to IC 6-1.1-12.1 et seq and declared said property to be an Economic Revitalization Area; and

WHEREAS, notice of the adoption and substance of the above mentioned resolution has been published in accordance with IC 5-3-1 and the Common Council of the City of Evansville has conducted a public hearing as of the date hereof to determine whether the qualifications for an economic revitalization area have been met; and

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of Evansville as follows:

Section 1. The property known as 7801 E Division Street, Evansville, IN and more particularly described as follows:

Parcel ID: 82-07-19-011-239.006-027

has been found to meet the qualifications for an economic revitalization area as outlined in IC 6-1.1-12.1.

Section 2. Resolution **C-2014-23** adopted by the Common Council on August 25, 2014, is hereby confirmed.

Section 3. The Statement of Benefits submitted by and dated July 31, 2014, are hereby approved.

Section 4. This Resolution shall be in full force and effect from and after its passage by the Common Council, signing by the Mayor, and advertisement, if any, as required by law.

FILED

AUG 27 2014

Anna Widness
CITY CLERK

Attachment 1

Real Property Schedule

Parcel ID: 82-07-19-011-239.006-027

Resolution C-2014-29

Pollux Systems, Inc. and Tri-State Orthopaedic Surgeons, Inc.

Year	Tax Phase-In
1	100%
2	95%
3	80%
4	65%
5	50%
6	40%
7	30%
8	20%
9	10%
10	5%

PASSED BY the Common Council of the City of Evansville, Indiana, on the 22 day of September, 2014, on said day signed by the President of the Common Council and attested by the City Clerk.



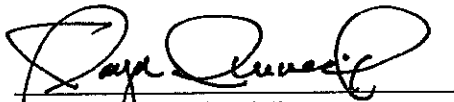
President of the Common Council, John Friend

ATTEST: Laura Windhorst
Laura Windhorst, City Clerk

Presented by me, the undersigned City Clerk of the City of Evansville, Indiana, to the Mayor of said city, this 23 day of September, 2014, for his consideration and action thereon.

Laura Windhorst
Laura Windhorst, City Clerk
City of Evansville, Indiana

Having examined the foregoing resolution, I do now, as Mayor of the City of Evansville, Indiana, approve said resolution and return the same to the City Clerk this 24th day of September, 2014.


Lloyd Winnecke, Mayor
City of Evansville, Indiana

APPROVED AS TO FORM
BY TED ZIEMER, CORPORATION COUNSEL



Council Meeting 09/08/2014

SUBJECT: The Growth Alliance has received an application for Economic Revitalization Area Designation from Pollux Systems, Inc. and Tri-State Orthopaedic Surgeons located at 225 Crosslake Drive, Evansville, IN 47715. Their intent is to open a new 25,000 sq. ft. facility that will bring strategic partners together under one roof to maximize synergies and grow the overall practices of all entities. The facility will provide office space for use by Tri-State's medical partners who are scattered between multiple counties.

What makes the project unique and the reason to consider tax phase-in for this project is that they are looking to bring Pollux Systems to Vanderburgh County. Pollux helps physician practices across the nation improve all aspects of practice performance and productivity by providing innovative and practical technology, excellent customer service and proven expertise in the minutia of medical practice management. Pollux Star Power Consulting services are comprehensive, they have been working with medical practices for over 20 years and have developed some of the most powerful technology and management services in the industry. As the medical practice becomes more and more reliant on administrative sophistication and specialization, Pollux is a partner in making those adjustments and maintaining excellent patient service and care.

Everything needed to maximize margins is available through Pollux Star Power Consulting, including:

Technology Solutions

- Meaningful Use; EHR Analysis (Electronic Health Records); Hardware and software ; EKG Billing; Security Audits

Interim Management – Pollux can provide seamless management in a medical practice:

- Practice Manager; Billing Manager; AR Management

Coding

- Computer assisted coding models – Pollux can integrate existing dictated reports with our technology to automate the coding process; Quality Assurance (QA); Training; ICD10 Preparedness – Pollux will provide training to the physicians to address the changes in diagnosis coding with the implementation of the new code set ICD10.

Compliance

- RAC Audits – Pollux will perform an analysis of current coding to ensure compliance with Medicare to prevent or prepare the practice for a Medicare RAC audit; HIPAA/Hi-tech – Pollux will help build a compliance program to address HIPAA as well as the newer Hi-tech guidelines; OIG Audits – Pollux will build a program to address the audit requirements passed down by the Office of Inspector general.

Credentialing

- Software – Pollux can provide credentialing software for use by the practice; Management – Pollux can use its credentialing software to manage the credentialing of the group.

Workflow analysis

- Practice Workflow Audits; Build policy and procedures; Document processes; Training; Workflow implementation

In addition they will incorporate Tri-State Orthopaedics which is the largest orthopaedic practice of its kind in the Evansville, Indiana area. Founded in 1949, by Dr. John H. Sterne and Dr. Henry

Report to Mayor and City Council | 2014

Leibundguth. Today, more than 62 years later, the practice has grown to 19 physicians who carry on their Founders' reputation for excellence.

Their renowned board-certified physicians have completed advanced clinical, academic, and examination requirements in their chosen specialties of Orthopaedic Surgery and Physical Medicine and Rehabilitation. These board-certified physicians include those with Fellowship-Training in Adult Joint Reconstruction, Arthroscopy, Hand Surgery, Hand Trauma & Reconstructive Surgery, Spine Surgery, Microvascular Surgery, and Interventional Pain Management. Their doctors have Added Specialty Certifications in Surgery of the Hand, as well as Sports Medicine.

They are considering an Investment in Evansville according to the following:

- **\$4.5 million in new construction located at KO-2 Crossroad Commercial Center Lot 6 – 7801 E. Division Street, Evansville, IN 47715 – Tax Code for Property—82-07-19-011-239.006-027**

With this investment comes the addition of 55 new jobs in the next 5 years with an average wage rate of \$21.00/hour, plus benefits, and the retention of 46 jobs. Of these new jobs, 70% require a minimum of a 2-year degree and 20% require and 4-year degree.

Fiscal Impact: Total, positive, Economic Impact of this project for Evansville is:

\$16,309,235 over the next 10 years; or, over \$1.6 million/year.

Recommendation: Given the advanced technology and consultant services aspect of the investment, we are recommending the following local incentive package.

This is the package that is required to land this project: 10-year tax phase in on Real Property using standard phase in percentages (Year 1, 100%; Year 2, 95%; Year 3, 80%; Year 4 65%; Year 5, 50%; Year 6, 40%; Year 7, 30%; Year 8, 20%; Year 9, 10% and Year 10, 5%) - Value approx. \$2,963,446

The total value to would be approximately \$3 Million and the project would generate a positive, Economic Impact of over \$1.6 million per year for Evansville aligned with our target market and bringing professional jobs and opportunities.

The Growth Alliance has requested, and the applicant has agreed to, execution of an agreement with the City that would require the applicant to reimburse the City for an agreed to amount of the value of the benefits received to date in the event they would decide to relocate these new jobs to another community within the 10 year period. This type of agreement has been referred to as a "claw back agreement" on prior projects.

Attachments:

Confirming Resolution C-2014-29

Application for Economic Revitalization Area Designation

Form SB-1/Real Property

Scoring sheet for Real Property

For additional information contact:

Chris Kinnett, Business Development Director

Growth Alliance for Greater Evansville

812 492 4384 - <mailto:chris@growthallianceevv.com>



Application for Economic Revitalization Area Designation

General Information			
Name of Taxpayer Seeking Phase-In		Pollux Systems, Inc. and Tri-State Orthopaedic Surgeons, Inc.	
Street Address of Taxpayer		225 Crosslake Drive	
City, State, Zip		Evansville, IN 47715	
Name of Authorized Representative		DuCharme, McMillen & Associates - Attn: Bill Faulkner	
Street Address of Authorized Representative		8440 Allison Pointe Boulevard - Suite 300	
City, State, Zip		Indianapolis, IN 46250	
Phone and Fax		P: 317-596-3260 Fax: 317-596-3264	
Proposed Project Information			
Address of Property	7801 E. Division St.	Tax Code(s) for Property	82-07-19-011-239.006-027
Size of Property (sf)		NAICS Code	621111
City, State, Zip	Evansville, IN 47715	Current Zoning	C-4
Township		TIF District	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Legal Description of Property	KO-2 Crossroads Commercial Center Lot 6		
Provide a brief description of the applicant's business, including company history, products(s), facilities, sales and corporate growth, and corporate employment. Also discuss any applicable future growth, planned expansions, and/or corporate diversification, where applicable. (You may attach it as "Company Profile")			
<p>What makes the project unique is the Pollux Systems, Inc. Pollux, through consultation, helps physician practices across the nation improve all aspects of practice performance and productivity by providing innovative and practical technology, excellent customer service and proven expertise in the minutia of medical practice management. Pollux Star Power Consulting services are comprehensive; they have been working with medical practices for over 20 years and have developed some of the most powerful technology and management services in the industry. As the medical practice becomes more and more reliant on administrative sophistication and specialization, Pollux is a partner in making those adjustments and maintaining excellent patient service and care. The partnership and collaboration with Tri-State Orthopaedic Surgeons brings together a powerful group that will benefit both groups and allow for future growth in their respective fields.</p>			
Project Overview			
Provide a Detailed Description of the Proposed Project (including how the Subject Property will be used, physical changes made to the property)	Pollux Systems and Tri-State Orthopaedics look to collaborate to improve medical billing, coding, and overall revenue cycle management. Pollux would like to move from their current location to Evansville in order to better market their services and grow their customer base regionally. The majority of this facility would house Pollux's corporate office, relocating it from the present facility, and staff providing greater efficiencies and economics for their customers. With this collaboration, more opportunity will be given to Pollux through Tri-States relationships allowing Pollux to grow substantially in the coming years. This is a 25,000 square feet new construction Class A office space.		
*Will the Project Require Additional Municipal Services or Facilities?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>		
*If yes please state need			

Employment/Benefit Information						
Project Cost Estimate						
	Current Year	Year 1	Year 2	Year 3	Year 4	Year 5
Purchase of real estate and improvements						
Site preparation	\$800,000					
Demolition						
Construction of new structures	\$3,400,000					
Rehabilitation of existing structures						
Infrastructure improvements						
Architecture & engineering fees	\$300,000					
Development fees						
Total cost of manufacturing and research & development equipment - new to Indiana						
Total project cost for real estate component of project	\$4,500,000					
Has this new equipment ever been installed and in use elsewhere in the state of Indiana?	Yes <input type="checkbox"/> No <input type="checkbox"/>		Date new manufacturing/research & development equipment is to be installed?			

Calendar Year	Number of Current Full-Time Permanent Employees at Project	Hourly/Average Wage W/O Fringe Benefits/Bonuses	New Full-Time Permanent Employees at Project	Number of Part-Time Employees
3 Years Ago	42	\$17.75		
2 Years Ago	42	\$18.50		
1 Year Ago	47	\$21.67		
Current Year	46	\$21.22	46	6
Year 1	95	\$21.50	5	5
Year 2	100	\$22.10	4	7
Year 3	104	\$21.50		7
Year 4	104	\$21.75		7

If Tax Phase-In were not granted, how many current jobs would be lost or jeopardized? If any, please attach a supporting explanation (attach as "Potential Job Loss")	New jobs would not be added to Vanderburgh County and current jobs could be reduced.															
Identify the type(s) of work or position(s) of the new employees.	<table border="1"> <thead> <tr> <th colspan="4">Employees' Educational Requirements (Percentage of new hires)</th> </tr> <tr> <th>High School Diploma</th> <th>2 yr Degree/Certificate</th> <th>4 yr Degree</th> <th>>4 yr Degree</th> </tr> </thead> <tbody> <tr> <td>10%</td> <td>70%</td> <td>20%</td> <td></td> </tr> </tbody> </table>				Employees' Educational Requirements (Percentage of new hires)				High School Diploma	2 yr Degree/Certificate	4 yr Degree	>4 yr Degree	10%	70%	20%	
Employees' Educational Requirements (Percentage of new hires)																
High School Diploma	2 yr Degree/Certificate	4 yr Degree	>4 yr Degree													
10%	70%	20%														
Identify the company benefits offered to employees.	401K, Health and life insurance, paid time off and holiday pay															
What is the value of these benefits (as a percentage of base pay)?	30%	Does the taxpayer have an affirmative action plan?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>													

Contribution of Company

In what ways has the company contributed to the improvement of the neighborhood or surrounding area, or participated in community activities or programs?

Tri-State supports the EVSC by providing athletic trainers at all of the local high schools. An endowment was set up and funded by Tri-State to provide an annual scholarship at Ivy Tech for students who need educational assistance. Tri-State is an active partner with the YMCA, Easter Seals, St. Mary's Foundation, Shriner's Fest, Arthritis Foundation, Economic Development Coalition of SW Indiana and many other local charities and events.

Is it your intent to use your best efforts to hire local contractors for the building and/or installation of equipment?

Yes

*Please attach any additional information that you feel will assist in evaluated this request for property tax phase-in.



Click "Sign" to fill out and sign this form. When you are done, you can save a copy by clicking "Done Signing".

I understand that if tax phase-in is granted for this project, that the Applicant will be required to submit a "Compliance with Statement of Benefits" form annually; and

It is my further understanding that if the Applicant should fail to comply with its commitments in job creation, job retention, project investment and/or any other commitments associated with its tax phase-in application, that the designating body has the right, after conducting a public hearing, to terminate said tax phase-in deductions.

I hereby affirm and certify that the information and representations of fact made in this application are true and complete.

Signature: _____

Title: CEO

Date: July 29, 2014

For this application to be complete, it must be accompanied by a signed "Statement of Benefits" (State Form 27167) and a check for the appropriate application fee. The check should be made payable to the Growth Alliance for Greater Evansville (GAGE).

Application Fees:

Real Estate Improvements	\$500.00
New Manufacturing or Research & Development Equipment	\$250.00

Application Fee Submitted: _____

Growth Alliance for Greater Evansville
Phone: (812) 401.4243
Email: info@GrowthAllianceEvv.com
www.GrowthAllianceEvv.com

Update: Tuesday, August 13, 2013



STATEMENT OF BENEFITS REAL ESTATE IMPROVEMENTS

State Form 51767 (R2 / 1-07)

Prescribed by the Department of Local Government Finance

20 15 PAY 20 16

FORM SB-1 / Real Property

This statement is being completed for real property that qualifies under the following Indiana Code (check one box):

- ☒ Redevelopment or rehabilitation of real estate improvements (IC 6-1.1-12.1-4)
☐ Eligible vacant building (IC 6-1.1-12.1-4.8)

INSTRUCTIONS:

- This statement must be submitted to the body designating the Economic Revitalization Area prior to the public hearing if the designating body requires information from the applicant in making its decision about whether to designate an Economic Revitalization Area. Otherwise this statement must be submitted to the designating body **BEFORE** the redevelopment or rehabilitation of real property for which the person wishes to claim a deduction. "Projects" planned or committed to after July 1, 1987, and areas designated after July 1, 1987, require a STATEMENT OF BENEFITS. (IC 6-1.1-12.1)
- Approval of the designating body (City Council, Town Board, County Council, etc.) must be obtained prior to initiation of the redevelopment or rehabilitation, **BEFORE** a deduction may be approved.
- To obtain a deduction, application Form 322 ERA/RE or Form 322 ERA/VBD, whichever is applicable, must be filed with the County Auditor by the later of: (1) May 10; or (2) thirty (30) days after the notice of addition to assessed valuation or new assessment is mailed to the property owner at the address shown on the records of the township assessor.
- Property owners whose Statement of Benefits was approved after June 30, 1991, must attach a Form CF-1/Real Property annually to the application to show compliance with the Statement of Benefits. [IC 6-1.1-12.1-5.1(b) and IC 6-1.1-12.1-5.3(j)]
- The schedules established under IC 6-1.1-12.1-4(d) for rehabilitated property and under IC 6-1.1-12.1-4.8(1) for vacant buildings apply to any statement of benefits approved on or after July 1, 2000. The schedules effective prior to July 1, 2000, shall continue to apply to a statement of benefits filed before July 1, 2000.

SECTION 1		TAXPAYER INFORMATION			
Name of taxpayer Pollux Systems, Inc. and Tri-State Orthopaedic Surgeons, Inc.					
Address of taxpayer (number and street, city, state, and ZIP code) 225 Crosslake Drive, Evansville, IN 47715					
Name of contact person Phil Rawley		Telephone number (812) 488-4605		E-mail address prawley@tristate-ortho.com	
SECTION 2		LOCATION AND DESCRIPTION OF PROPOSED PROJECT			
Name of designating body City of Evansville		Resolution number			
Location of property 7801 E. Division Street, Evansville, IN 47715		County Vanderburgh		DLGF taxing district number 82-027	
Description of real property improvements, redevelopment, or rehabilitation (use additional sheets if necessary) 25,000 square foot Class A office building.		Estimated start date (month, day, year) 10/30/2014		Estimated completion date (month, day, year) 04/30/2015	
SECTION 3		ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT			
Current number 46.00	Salaries \$21.22	Number retained 46.00	Salaries \$21.22	Number additional 55.00	Salaries \$21.50
SECTION 4		ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT			
NOTE: Pursuant to IC 6-1.1-12.1-5.1 (d) (2) the COST of the property is confidential. Current values Plus estimated values of proposed project Less values of any property being replaced Net estimated values upon completion of project		REAL ESTATE IMPROVEMENTS			
		COST		ASSESSED VALUE	
		20,200.00		20,200.00	
		4,500,000.00			
		4,520,200.00			
SECTION 5		WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER			
Estimated solid waste converted (pounds) 0.00		Estimated hazardous waste converted (pounds) 0.00			
Other benefits Pollux Systems and Tri-State Orthopaedics look to collaborate to improve medical billing, coding, and overall revenue cycle management. The majority of this facility would house Pollux's corporate office, relocating it from the present facility, and staff providing greater efficiencies and economics for their customers. With this collaboration, more opportunity will be given to Pollux through Tri-States relationships allowing Pollux to grow substantially in the coming years. This is a 25,000 sq. ft. Class office building that fits into Vanderburgh County's business attraction target.					
SECTION 6		TAXPAYER CERTIFICATION			
I hereby certify that the representations in this statement are true.					
Signature of authorized representative [Signature]		Title Chief Executive Office		Date signed (month, day, year) 07/31/2014	

FOR USE OF THE DESIGNATING BODY

We have reviewed our prior actions relating to the designation of this Economic Revitalization Area and find that the applicant meets the general standards adopted in the resolution previously approved by this body. Said resolution, passed under IC 6-1.1-12.1, provides for the following limitations:

- A. The designated area has been limited to a period of time not to exceed 3 calendar years * (see below). The date this designation expires is 11/1/2017.
- B. The type of deduction that is allowed in the designated area is limited to:
- | | | |
|--|---|-----------------------------|
| 1. Redevelopment or rehabilitation of real estate improvements | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| 2. Residentially distressed areas | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 3. Occupancy of a vacant building | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
- C. The amount of the deduction applicable is limited to \$ _____.
- D. Other limitations or conditions (specify) _____.
- E. The deduction is allowed for 10 years* (see below).

We have also reviewed the information contained in the statement of benefits and find that the estimates and expectations are reasonable and have determined that the totality of benefits is sufficient to justify the deduction described above.

Approved (signature and title of authorized member of designating body)	Telephone number	Date signed (month, day, year)
Attested by (signature and title of attester)	Designated body	

* If the designating body limits the time period during which an area is an economic revitalization area, it does not limit the length of time a taxpayer is entitled to receive a deduction to a number of years designated under IC 6-1.12-12.1-4.

- A. For residentially distressed areas, the deduction period may not exceed five (5) years.
- B. For redevelopment and rehabilitation or real estate improvements:
1. If the Economic Revitalization Area was designated prior to July 1, 2000, the deduction period is limited to three (3), six (6), or ten (10) years.
 2. If the Economic Revitalization Area was designated after June 20, 2000, the deduction period may not exceed ten (10) years.
- C. For vacant buildings, the deduction period may not exceed two (2) years.

City of Evansville, IN
Tax Phase-in Application Scoring

Real Property

Company Name: Pollux Systems, Inc. and Tri-State Orthopaedic Surgeons, Inc

Application Date: 7/29/2014

1. Investment or percent of assets -choose higher points (25 points maximum)

20

Up to \$500,000	0 - 5%	5 points
\$500,001 to \$1 million	6 - 10%	10 points
\$1,000,001 to \$3 million	11 - 15%	15 points
\$3,000,001 to \$5 million	16 - 20%	20 points
\$5 million +	more than 20%	25 points

2. Anticipated new Full Time employment within 5 years (25 points maximum)

15

5 to 20 employees	5 points
21 to 40 employees	10 points
41 to 60 employees	15 points
61 to 80 employees	20 points
81 employees +	25 points

3. If tax phase-in is not granted, how many current jobs would be lost or jeopardized? (30 points maximum)

30

1 to 10 employees	10 points
11 to 20 employees	15 points
21 to 30 employees	20 points
31 to 40 employees	25 points
41 employees +	30 points

4. Wage level - The average county wage = \$18.05/hr for Vanderburgh County determined by Indiana Department Workforce Development. (20 points maximum)

17

= Vanderburgh Co. average wages (+/- 5%)	3 points
6% to 19% > Vanderburgh Co. average wages	7 points
20% > Vanderburgh Co. average wages	10 points
Value of benefits is => 15% of base pay	10 points

5. Use, reuse, rehabilitation and/or expansion of an existing facility. (15 points maximum)

0

6. Targeted Business - The applicant is deemed a "good fit" for Evansville/Vanderburgh County (i.e. environmentally friendly, high technology industry, enhances economic diversification.) (5 points maximum)

5

7. Appropriate location - Investment made in a targeted area such as a Redevelopment Area or Urban Enterprise Zone, and in an appropriate location as determined by the Comprehensive Area Plan. (5 points maximum)

5

8. Company involvement in, and support for, neighborhood and community activities. (5 points maximum)

0

9. Economic need for, and impact of, requested phase-in. (5 points maximum)

0

Total Points

92

Years

10

SCORING	Max. Length of Deduction
10 or less points	1 year
11 to 20 points	2 years
21 to 30 points	3 years
31 to 40 points	4 years
41 to 50 points	5 years
51 to 60 points	6 years
61 to 70 points	7 years
71 to 80 points	8 years
81 to 90 points	9 years
91+ points	10 years